

Action Item 000316-01



ACRI and CILS-TAT Impact
on Allowance Effectiveness

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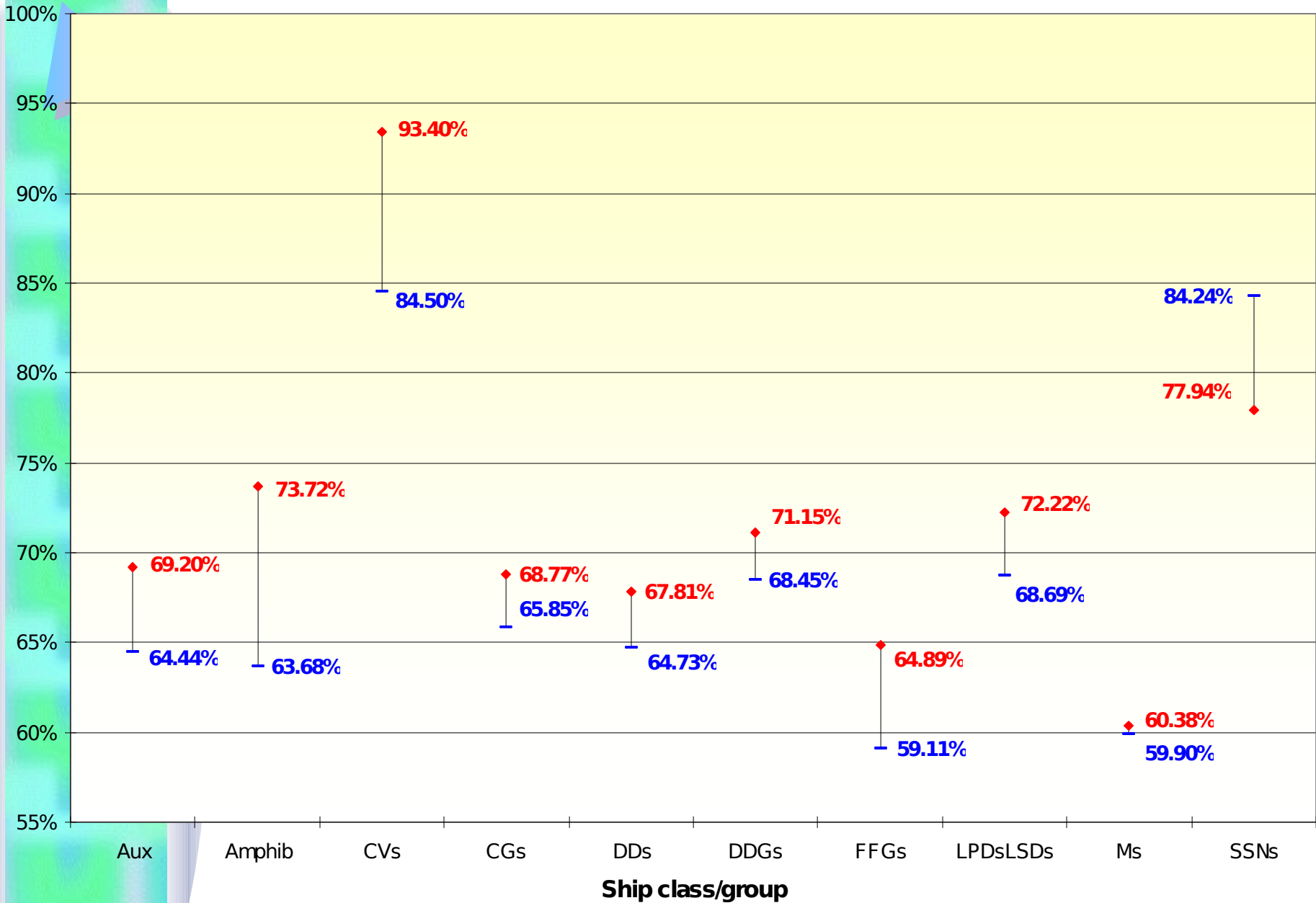


CILS-TAT Impact

- CILS-TAT Process Designed to Minimize Allowance Churn and Maximize ROI
- CILS-TAT Not Advertised to Improve Effectiveness
- 144 Ships Allowanced Since Jan 1999
 - Effectiveness Measured on 128 Ships
 - Allowance Effectiveness 18 mos. Prior to CILS-TAT compared to AE for 18 mos. After CILS TAT
 - On Average, 2% Improvement
 - Gross Effectiveness...COSAL Compared to CILS TAT
 - 1.5% Increase


CILS TAT PROGRESS

Allowance Effectiveness



— Before CILS TAT

◆ After CILS TAT (18 months)



Allowance Churn Reduction Initiative (ACRI)

- Designed to Reduce Maintenance Allowance Churn Distributed Via ASI
 - Suppressed Allowances for Pen & Ink Actions, APL Revisions and Fully Supported RIC Supersessions
 - Allowances Still Provided for PMS, Safety, ACIP Actions and Special Projects (e.g. AT/FP)
- Effectiveness Impact: .1% Reduction
 - Consistent with Predicted Impact

Effect of ACRI – Total Fleet

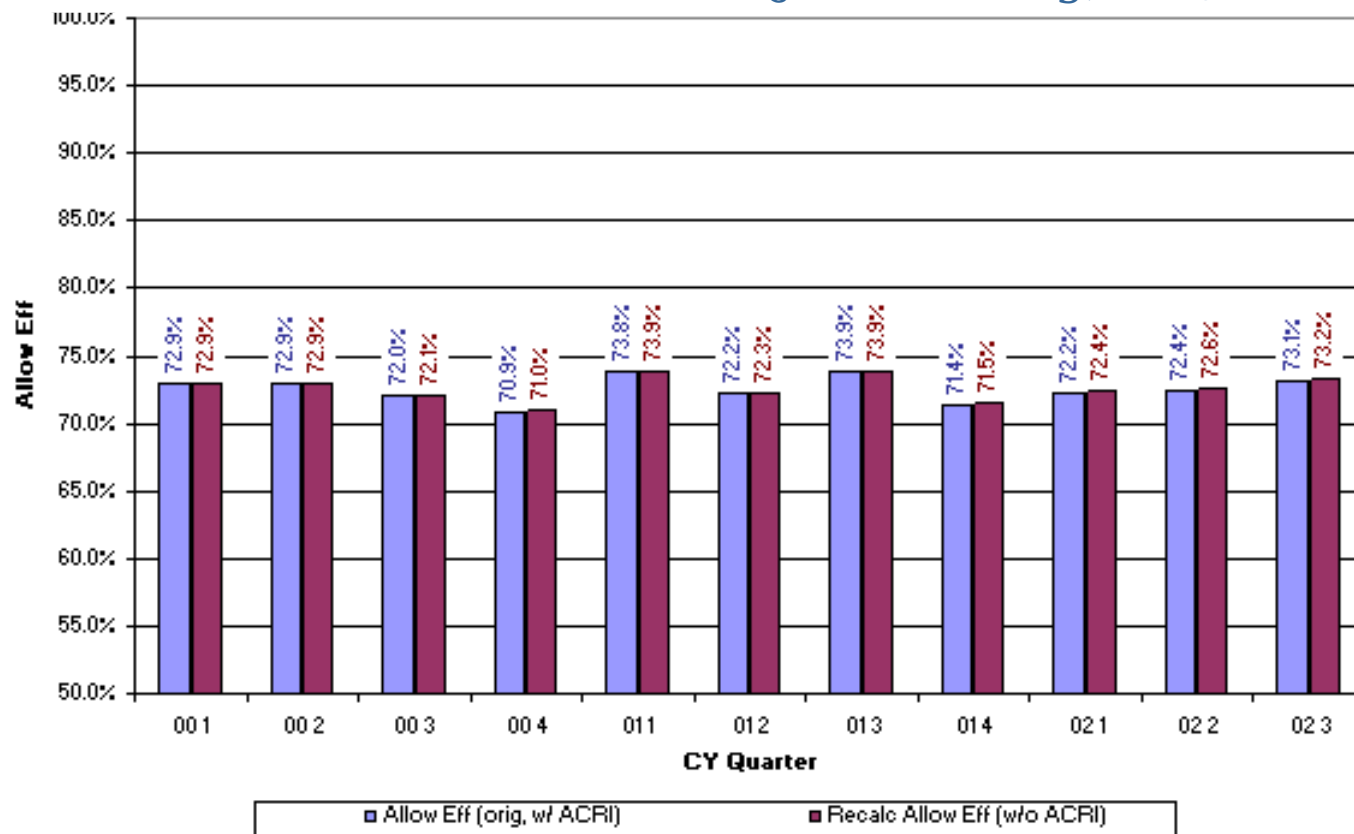
- Overall impact on Allowance Effectiveness since Jan 2000 is a decrease of .1%

- Cost avoidance:

CY '00 = \$12M

CY '01 = \$13M

CY '02 (Jan thru Aug) = \$6.7M



Effect of ACRI – Total Fleet

- Compared ACRI suppressed UIC/NIINs against Constellation BG CASREPs for a 2 year period (7/00 – 6/02)

- Constellation BG composition:

AOE-7 USS Rainier

CG-50 USS Valley Forge

CG-52 USS Bunker Hill

CV-64 USS Constellation

DD-992 USS Fletcher

DDG-76 USS Higgins

FFG-43 USS Thach

LHA-1 USS Tarawa

LPD-6 USS Duluth

LSD-47 USS Rushmore

SSN-722 USS Key West

SSN-771 USS Columbia

- Results: 2 C2 CASREPS; 0 C3/C4 CASREPS

- SSN 771 – NIIN 9C 4310-01-456-2991, Reed Valve
- DDG 69 – NIIN 7H 5963-01-438-7615, Electronic Module